



FOR IMMEDIATE RELEASE

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MAYOR JERRY SANDERS

FACT SHEET

MAYOR UNVEILS PROPOSED FY2010 BUDGET

Closes \$60 Million Deficit without Cuts to Public Safety or Library, Park Hours

San Diego Mayor Jerry Sanders today released his proposed budget for fiscal year 2010 that maintains current service levels and public safety staffing, sustains the mayor's fiscal reform measures and continues to clear the city's backlog of deferred maintenance.

"This budget respects the priorities that San Diegans have voiced to me clearly over the past several months," Sanders said. "They are not willing to see cuts in their library hours or recreational programs, and they also don't want city government to backslide on the enormous progress we've made toward solving our chronic budget programs and repairing long-neglected streets and public facilities."

With tax revenues down significantly in this ailing economy, the mayor's budget had to address a \$60 million gap in the general fund, which pays for the city's day-to-day operations, including police, fire, trash collection and parks and libraries.

"In four years of streamlining government and reducing layers of management, we've eliminated 875 positions from the city's work force," Sanders said. "We simply can't lose more of our hard-working employees without seeing a corresponding deterioration in service to the public."

To balance the budget, the mayor has asked all of the city's approximately 10,500 employees – including himself and his staff – to take a 6 percent reduction in their overall compensation. This will be achieved through wage reductions as well as decreasing the portion the city covers of employee health care, retirement and other employment benefits.

The compensation cuts will achieve total cost savings in fiscal 2010 of \$41 million – \$30 million of it in the city's General Fund. The proposed reductions in retirement benefits will also yield millions of dollars in long-term savings to taxpayers by reducing the city's pension and retiree health care obligations.

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“The compensation concessions we seek for this fiscal year will benefit the city long after I have left office through corresponding reductions in our long-term benefit and retirement costs,” Sanders said. “As we’ve all learned, these costs can grow at a rate that undermines the very mission of city government, and this plan addresses them comprehensively.”

The city has been in negotiations since January on new contracts with its five labor unions: Police Officers Association, the International Association of Firefighters Local 145, the Municipal Employees Association, the Deputy City Attorneys Association and the American Federation of State, County, and Municipal Employees Local 127. The city and the unions reached impasse last week; City Council is expected to conduct an impasse hearing on Tuesday at which they can impose the necessary concessions to maintain city services.

The mayor’s budget also includes approximately \$6.7 million in revenue from updated user fees – many of which have not been updated in over a decade. The City Council requested updates to the fees to fully recover the cost to city departments of such services as permits, inspections and public safety support for sports and special events. The council is expected to vote on these fee updates later this month.

“This is a defining moment for our city, one in which we have the opportunity to come together to meet extraordinary fiscal challenges and align our fiscal decisions completely with the priorities of the public,” Sanders said. “Our primary purpose must remain providing services to the taxpayers who fund us, and I believe this budget embodies that premise.”

The FY 2010 Proposed Budget is available on the front page of the city’s Web site:

www.sandiego.gov

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